



## STATE BOARD OF LAND COMMISSIONERS

Dirk Kempthorne, Governor and President of the Board  
Pete T. Cenarrusa, Secretary of State  
Alan G. Lance, Attorney General  
J. D. Williams, State Controller  
Marilyn Howard, Superintendent of Public Instruction

Stanley F. Hamilton, Secretary to the Board

### FINAL MINUTES REGULAR LAND BOARD MEETING April 13, 1999 9:00 AM

The regular meeting of the Idaho State Board of Land Commissioners was held on April 13, 1999 in Boise, Idaho. The Honorable Dirk Kempthorne presided. The following members were present:

Honorable Secretary of State Pete T. Cenarrusa  
Honorable State Controller J. D. Williams  
Honorable Attorney General Alan G. Lance  
Honorable Superintendent of Public Instruction Marilyn Howard

Secretary to the Board Stanley F. Hamilton

Director Hamilton requested that agenda item #14, Fiscal Year 2000 timber sales plan, be moved prior to agenda item #10. He also requested agenda item #7 be removed from the consent agenda and transferred to the regular agenda. This item was placed at the end of the regular agenda for discussion.

#### • **CONSENT AGENDA**

Director Hamilton provided background information on the consent agenda items. There were no questions.

The motion was made by State Controller Williams and seconded by Secretary of State Cenarrusa to approve the consent agenda in its entirety, with agenda item #7 being transferred to the regular agenda. The motion carried on a vote of 5-0.

#### **1. The following official transactions were approved:**

- A. Bureau of Minerals – February 1999
- B. Bureau of Minerals – March 1999
- C. Bureau of Range Management and Surface Leasing – February 1999
- D. Bureau of Range Management and Surface Leasing – March 1999
- E. Bureau of Forest Management – February 20 through March 24, 1999
- F. Bureau of Real Estate, Land Sale Section – February 1999
- G. Bureau of Real Estate, Easement Section – February 1999

#### **2. The following timber sales, staffed by Ron Litz, Chief, Bureau of Forest Management, were approved:**

- |                           |           |           |
|---------------------------|-----------|-----------|
| A. West Hunt              | CR-1-0304 | 2,700 MBF |
| B. Upper Mountain Meadows | CR-2-0172 | 5,550 MBF |

C.	Upper Tyson Creek	CR-3-0422	5,010 MBF
D.	Benewah Section 36	CR-3-0439	5,400 MBF
E.	Bonami Creek	CR-4-0671	2,670 MBF
F.	Whiskey Ridge	CR-4-0674	1,230 MBF
G.	Independence Day Commercial	CR-4-0681	2,760 MBF
H.	M.C. Ridge	CR-4-0682	6,945 MBF
I.	Brown's Ridge Select	CR-4-0695	905 MBF
J.	Steep Divide	CR-4-0703	1,800 MBF

3. **Department of Parks and Recreation timber sale, staffed by Steve Narolski, IDFG Forestry Specialist, was approved.**
4. **Deferred road maintenance plan, staffed by Ron Litz, Chief, Bureau of Forest Management, was approved.**
5. **Additions to qualified bidders list, timber sale, staffed by Ron Litz, Chief, Bureau of Forest Management, were approved:**
  - A. Kurt Morris, PO Box 374, Plummer ID 83851
  - B. Frei Logging, 519 W N 5<sup>th</sup>, Grangeville ID 83530
6. **The following minutes were approved:**
  - A. Regular Land Board Meeting – January 20, 1999
  - B. Special Land Board Meeting – January 26, 1999
  - C. Special Land Board Meeting – February 16, 1999
  - D. Regular Land Board Meeting – February 18, 1999
  - E. Regular Land Board Meeting – March 9, 1999
7. **Results of lease auctions for 1998 expiring lease G-6579, formerly held by O. L. Dudley, staffed by Tracy Behrens, Range Management Specialist**

Agenda item #7 was moved by consent of the Board to the end of the regular agenda.

## • **REGULAR AGENDA**

8. **Director's Report – The Director's monthly report regarding Department operations was presented by Stanley F. Hamilton, Director, Department of Lands**

Director Hamilton provided a brief monthly report. The report consisted of:

- A. Summary of the fiscal 1999 Principal Fund Balances and Revenue Composition
- B. Distributions to beneficiaries from the Endowment Investment Board
- C. Charts showing Permanent Endowment total and Permanent Endowment Public School
- D. Charts showing Total Beneficiary Income and Total Public School Income
- E. Endowment contribution by funds FY 1990 – FY 1999 year-to-date
- F. Income contributions by funds FY 1990 FY 1999 year-to-date

Governor Kempthorne asked State Controller Williams to update the Land Board on the work of the subcommittee regarding the endowment program.

State Controller Williams said that each Land Board member appointed a subcommittee member to work on Endowment Investment Reform. This committee met last week to discuss various proposals.

The subcommittee recommended that it be the primary advisor with periodic assistance of ad hoc consultants or other advisors. On the investment side, the subcommittee recommended that the Endowment Investment Board, together with their staff, prepare proposals showing how they feel the investment side should be implemented. The Department of Lands was requested to look at the land side to see how that side could be implemented.

State Controller Williams said the emphasis over the next few years is going to be on the investment side with the Endowment Board, particularly in view of the Supreme Court opinion, if they do not reconsider HJR6.

The subcommittee felt the philosophy for the time being should be that we try to manage the land portion of the endowment basically the same way that we have been doing it for the last several years. Instead of going out and creating advisory boards to help with investments and to help with lands, it was felt the infrastructure already in place should be used. This would include the Endowment Investment Board and the Idaho Department of Lands staff to work with the subcommittee. Members of the subcommittee will be Stan Hamilton, Director, Idaho Department of Lands, Charles G. Saums, Investment Manager, Endowment Fund Investment Board, and five representatives of the Land Board members.

State Controller Williams said that before officially going before the Land Board, these procedures need to be approved by the full Land Board. Governor Kempthorne asked if approval was being sought at this time. State Controller Williams said there should be some thrust from the Land Board that the subcommittee is going in the right direction.

Attorney General Lance said in his opinion the group was going in the right direction. He stated if the subcommittee was going to seek approval, the Department of Lands staff should be requested to place the issue on the agenda for the next regular Land Board meeting.

#### **9. Legislative update – Review of legislative activities – impacts on the Department, presented by Stanley F. Hamilton, Director, Department of Lands**

Director Hamilton stated there were a number of issues before the legislature this year that affected the Department. One issue that passed legislature was House Concurrent Resolution No. 27. Director Hamilton said this is a resolution brought forward by the associated highway districts, including the county highway district. They are seeking an interim committee to examine the question of “what constitutes a county road; what constitutes a private road; what constitutes a road for which monies may be obtained through the Transportation Department for maintenance and how are those monies distributed.”

The Department is named in this resolution and will probably be party to the interim committee deliberations. The issue is there are many miles of roads maintained by the counties that do not have an easement from the Board, do not have any recognition as being anything other than endowment lands and that are managed by the Department as endowment lands.

The counties and highway districts believe that any situation in which they expend public funds should automatically, after a certain period of time, become a county road or a highway district road. At that point, they feel they should have jurisdiction and control.

The issue stems from a road closure that the Department made that enters a block of state lands and then stops. The Department closed this road, along with Potlatch Corporation on some of their adjacent lands, so we had a seasonal closure. This seems to have raised the ire of the associations and the districts. The Department will probably be spending considerable time on this issue.

The Department is looking at what roads might be in that capacity. This will take a concerted effort by the Department. Attorney General Lance asked if this interim committee was funded. Director Hamilton stated he did not know but would find out.

***Agenda Item #14 was introduced at this time.***

**10. Draft plan for implementing Supreme Court decisions in IWP cases was presented by Bryce Taylor, Bureau Chief, Range Management/Surface Leasing**

Director Hamilton distributed a letter received from the Land and Water Fund of the Rockies in which they offered comments and suggestions. He also stated that Mr. Gene Bray was present and had an interest in addressing the Board.

Mr. Bryce Taylor provided background information. After reviewing the records, the Supreme Court action of April 2 has affected six (6) of our 1995 expiring leases and twenty (20) of the 1996 leases.

On April 7 we sent notice to the affected lessees and that notice made the lessees aware that the court action has invalidated their lease. The Department is proposing that a temporary permit be issued for this grazing season to affected lessees to keep them on the range this year. This will allow us to maintain cash flow for the endowments for this year.

Then we propose that we go back out and solicit applications for the affected twenty-six (26) leases. We would put all of the former applicants on notice that they can reapply. We would post a notice in the county courthouse, as we would do in any other expiring grazing lease, to see if there are others who want to apply.

We are proposing a June 30 deadline to meet those applications. The Department needs time for field staff to get out on the ground to take another look and to secure a vegetative assessment.

When we have the applications, if we have more than one, we propose that we go to auction under standard auction procedures. We would then bring auction results, bids and the vegetative management proposal back to the Land Board for review. This should be done by October. The Department is asking the Land Board to approve that process.

The Department is currently working on the year 2000 expiring grazing leases. The affected leases are spread out over four areas. There will be an increased workload in those areas.

Governor Kempthorne asked if these leases would be let for the duration of ten (10) years. Mr. Taylor said the Department would envision the lease would be for ten (10) years effective January 1, 2000.

The Department recommended the Land Board adopt the proposed process as outlined in the Board memorandum to implement the Supreme Court's decision concerning the 1995 and 1996 conflicted grazing leases.

Considerable discussion followed regarding the Supreme Court's decision. Mr. Gene Bray, representing Idaho Watersheds Project and the Committee for Idaho's High Desert addressed the Board. Attorney William Eddie, representing the Water Fund of the Rockies, also addressed the Board.

Attorney General Lance commended the Department for their proposed process and moved for adoption of the process. Secretary of State Cenarrusa seconded the motion. The motion carried on a vote of 5-0.

**11. Special lease # M-5015 – Mr. Fred Bagley – Land Board review of the lease and market value to determine whether to amend existing use and annual rental rate – presented by Alvin Carr, Leasing Specialist**

Director Hamilton stated this agenda item is to review and to discuss lease M-5015. Mr. Carr provided the Land Board with background information and the Department's recommendation. Mr. Bagley was available to present his side of the issue to the Land Board.

The Department recommended that, regardless of whether or not Mr. Bagley continued his lease, the 1998 rental in the amount of \$3,531.97 be paid in full. The Department further recommended that if Mr. Bagley wished to continue leasing the state parcel he do so as per the terms of his current lease. The current lease requires payment of the 1999 rent in the amount of \$3,531.97 and a lease rate of 2.5% of the \$190,000 appraised value for the year 2000. Thereafter the rental will be calculated at 2.5% of current market value, as determined by appraisal, or at the Department's discretion, determined by the current county assessed value.

If Mr. Bagley is not interested in continuing his lease at this rate, the Department recommended that the lease be canceled and Mr. Bagley be allowed sufficient time to remove his improvements. The recommendation then would be for the Department to work to re-designate this site for potential disposal.

Superintendent Howard requested that the recommendation to re-designate the site for potential disposal be separated from this recommendation. She would like to have this as a separate issue.

Mr. Bagley addressed the Land Board. After considerable discussion, Attorney General Lance moved that if Mr. Bagley brings his lease current, the Department be instructed to continue to work with him to see if there can be reconciliation of differences. If not, Mr. Bagley can come before the Land Board again if and when the present lease is made current and present his side of the proposal. Superintendent Marilyn Howard seconded the motion. The motion carried on a vote of 5-0.

**12. Scenic Bay Update – three issues are being considered: (1) rental agreement between floathome owners and the marina owner; (2) marina safety; and (3) payment of rental to the state and consummation of a state lease – Presented by Bryce Taylor, Bureau Chief, Range Management/Surface Leasing**

Mr. Bryce Taylor provided the Land Board with an updated report on progress to settle issues at Scenic Bay Marina at Bayview.

Department staff attended a meeting with Mr. Denny Davis, counsel for floathome owners, Mr. Steve Fender, counsel for the marina, Ms. Carole Carlin, marina owner and five floathome owners on April 9 in Coeur d'Alene.

Mr. Taylor said that there was very little progress made in resolving issues between floathome owners and the marina owner regarding rental rates. Mr. Taylor said that after a short time in the meeting it was clear that they were not going to resolve the issue.

Mr. Taylor had a conversation with the two legal counsels after everyone else was excused. He said he did see some "going forward" in this meeting. He stated a change of ownership appears likely.

Mr. Taylor said he and the Department's Navigable Waters program manager inspected the marina. Staff did not identify any overwhelming issues at the marina during this review.

The Department will continue to monitor the marina and floathome issues and will report back to the Board at the May regular meeting. He indicated to both sides that the Department would continue to work with them; however, these issues must be resolved and the marina must enter into a lease with the

department in the near future. Governor Kempthorne asked the Department to continue working to resolve this issue.

This agenda item required no action.

**13. Potential lease – 590 W. Washington Building -- A review of the Request for Proposal (RFP) to determine issuance of a lease on a professional office building in downtown Boise, ID – Presented by Alvin Carr, Leasing Specialist**

Mr. Carr provided background information. The potential for leasing the old bank building at 590 W. Washington was before the Board at the February 18, 1999 regular meeting. The Board moved that the Department should do all they can to work with state agencies within the confines of existing code.

The Department recommended acceptance of the RFP submitted by Idaho Department of Administration on behalf of the Idaho Department of Health and Welfare for issuance of a five (5) year lease at an annual rental of \$65,377 less a three percent (3%) prepayment discount, less a full service payment and an option to renew for an additional five (5) years with rent for the second five (5) years based on a market study at the time the option is exercised. A lease acceptable to both parties shall be prepared in conjunction with legal counsel. The details of the needed site improvements will be dependent upon available funding and agreed to by both parties. The Department will work with the Department of Administration in developing a contract for consideration of the full services to be provided by the Department of Administration, Division of Public Works.

State Controller Williams stated he felt this was a good deal. Every penny of the net rent will go to public schools. He moved to approve the recommendation of the Department. Superintendent Howard seconded the motion.

Attorney General Lance asked if this was conceptual approval. He felt there were a lot of holes in the lease at this time. Mr. Carr stated that today's approval would allow the Department to work with the Department of Administration in the development of the lease. He stated the recommendation of the Department is with legal counsel review and their concurrence.

Attorney General Lance asked if the Department is still working on it – how much maintenance, etc., will be paid? The Board does not have a handle on the net income. Mr. Carr stated there is a draft proposal from the Division of Public Works. The Department would be able to enter into an agreeable contract with them to provide the full services required under this type of lease. It is just a matter of "fine tuning" it down to the actual dollar.

Attorney General Lance said he had no problem with that and he felt an amicable agreement would be reached but to approve a lease without the details would not be appropriate.

The Controller clarified that this needs to proceed as quickly as it can in order to start receiving rent. The motion carried on a vote of 5-0.

**14. Fiscal Year 2000 timber sales plan – Presentation of proposed plan for Land Board approval, presented by Winston Wiggins, Assistant Director, Forestry and Fire**

This agenda item was brought to the attention of the Land Board following agenda item #9. Director Hamilton stated this was an annual timber sale plan. Winston Wiggins provided background information.

Mr. Wiggins explained to the Land Board how this was prepared. Each year a timber sale plan is prepared which lists the sales and volumes proposed for sale during the coming fiscal year. A tentative notice is published in May of each year in a number of newspapers around the state. Comments are requested. There is also an extensive mailing list that receives these notifications. The Department

continues working on the sales. In January, a second publication of the draft plan is published. Again, comments and recommendations are requested. Finally in April the plan is brought before the Land Board for approval.

The motion was made by Secretary of State Cenarrusa and seconded by Attorney General Lance to direct the Department to proceed with publication of the FY-2000 timber sales plan. The motion carried on a vote of 5-0.

Director Hamilton requested agenda item #7 be brought from the consent agenda at this time, if acceptable to Board. There were no objections.

This agenda item concerns the results of lease auctions for 1998 expiring lease G-6579, formerly held by O. L. Dudley. Mr. Bryce Taylor, Bureau Chief, Range Management/Surface Leasing provided background information.

This item has been reviewed extensively by the Board prior to this meeting. The item had been placed on the consent agenda – not realizing there were some issues to discuss.

We have a unit south of the river and a unit north of the river. The Department advertised for applications and sent notices to each of the adjacent landowners and also posted a notice for anyone else who might want to apply. We received three applications for the parcel on the south side of the river and two applications for the parcel on the north of the river.

The morning auction was scheduled at 10:00 a.m. Applicants in the morning auction were Mr. Don Davis and Mr. Roger Lewis. Larry Shidler had applied for that parcel but withdrew his application two days before the auction. Fifteen bids were submitted at the auction and the high bid was \$1,800 submitted by Mr. Lewis.

In the afternoon auction there were two applicants, Dudley River Ranch, represented by Betsy Dudley and Richard Brown. Ten bids were submitted in the afternoon and Mr. Brown was the high bid with a bid of \$500.00.

The Board did direct the Department that these are difficult to manage parcels and that we should dispose of the parcels through the land bank process after July. Participants were informed that although the lease would be issued for ten years, they should consider that it might not run the full ten years. Participants were also informed that the Board and the Department might consider a land exchange on these parcels.

The auction participants were informed that they had twenty (20) days from the date of the auction to file an appeal if they felt the auction proceedings were inappropriate. That deadline expired and there were no appeals filed during that twenty (20) day period.

Mr. Lewis was present to address that Board. He thanked the Board for allowing the item to be placed on the regular agenda so that his questions could be addressed.

Mr. Lewis stated that he had discussed land exchange with Don Stockton a couple of years ago. He was informed about a year ago that exchange and talk of that exchange could not occur until after the bidding process. He was also told on two different occasions by individuals in the Southwest office – Don Stockton and Tim Duffner – that whoever held the lease at the time of an exchange – if an exchange occurred – had to sign a release for the exchange to occur. With that information, he obtained the lease. Mr. Stockton even pointed out a very equitable exchange piece of ground that the state would be interested in.

Mr. Lewis stated he was ready to sign and culminate the deal on this lease until this past Friday. He said Mr. Stockton called him and told him that he was very sorry he had misled him. Mr. Lewis feels if an exchange is not an option, then he was misled when he offered \$1,800 to obtain the lease on this ground.

Bryce Taylor stated the Department had no knowledge of the total interest out there. He strongly questioned whether staff misled Mr. Lewis. He felt it was perhaps a difference of interpretation.

Mr. Taylor stated that at the auction there was no indication of any preferential rights – quite the contrary. If Mr. Lewis believes he was misled earlier that misconception would have been corrected on the day of the auction. Mr. Taylor stated that at the auction staff tried to make it very clear that there were no preference rights

Director Hamilton stated that the possibility of sale on this land was discussed. It meets qualifications for sale and the Department would certainly look at that in the future. He stated the Department would probably consider an offer for exchange.

The parcel is split into two pieces with one piece on the north side of the river and one piece on the south side of the river. Director Hamilton stated the Department would possibly consider the parcels separately.

Director Hamilton stated he thought Don Stockton, Area Supervisor at Southwest, was dealing with what has been a long-standing practice or Board policy. That practice is that the Department will entertain exchanges on these parcels. He felt the confusion came from the discussion at a previous Land Board meeting regarding selling the land once the land bank was available.

Governor Kempthorne emphasized to Mr. Lewis that there were no guarantees.

Attorney General Lance asked for the second highest bid on the parcel. Mr. Taylor informed him it was \$1700. Attorney General Lance asked if that party was still interested. Mr. Taylor said he had not had a chance to visit with that party on the issue. The issue was only brought to the attention of the Department that morning.

Attorney General Lance stated that the Land Board can proceed with sale or exchange without a lessee's release. He stated the lease would be terminated with or without approval or consent of the lessee and the Board would proceed to do what they believed to be in the best interest of the endowed institutions. He stated he wanted this point to be very clear.

Attorney General Lance stated that if Mr. Lewis was not interested in the lease at his bid price then the lease should be given to the second highest bidder. Governor Kempthorne informed Mr. Lewis that this item could be moved to the end of the agenda to give him time to consider the offer.

Mr. Lewis said if the second highest bidder wants the lease, he would let the second highest bidder take the lease.

Governor Kempthorne asked Mr. Taylor if this could be deferred one month. Mr. Taylor stated that this parcel is in the flood plain and would likely be under water at this time. He said he did not believe it would have an affect on the land. The Department would have to go back to the other bidder to see if he wants it. If he does not want the parcel, then it could be brought back to the Board for further discussion.

Mr. Taylor stated that he felt the Department would have to obtain legal assistance on the issue. He thought there was an Idaho Code that indicates bids cannot be reduced. He stated the Department would look into this and come back to the Board next month.

Attorney General Lance said he had been advised we had two parcels on this consent agenda. Rather than deferring the entire agenda, he made a motion that the Board confirm the lease and bid on the north parcel awarded to Mr. Brown. Secretary of State Cenarrusa seconded the motion. The motion carried on a vote of 5-0.



**15. Private Property Acquisition Policy Discussion – Discussion will include proposed private commercial/industrial property acquisition through land exchange. Acquisition objectives, property types, property location, location criteria and the general exchange process will be covered. – Presented by Perry Whittaker, Bureau Chief, Real Estate**

Director Hamilton said this item is a policy development issue. The Department would like to discuss the acquisition of private property through land exchange or purchase. At the conclusion of this agenda item, there is an Executive Session in which the Department would like to provide the Land Board with some specific situations capable of being handled in Executive Session under the law.

The first portion would be policy draft and development. Mr. Perry Whittaker provided the Board with background information. Mr. Whittaker provided the Board with a brief summary on some exchange activity over the past year.

Future Endowment Land exchange opportunities discussed were Ponderosa Park, Table Rock winter range, Boise Front recreation area and Payette Lake cottage sites.

Mr. Whittaker provided the Board with the Department's thoughts regarding disposal of under-performing endowment trust lands and the acquisition of other real estate.

Mr. Whittaker stated that the Department seeks policy direction regarding the type of properties that should be acquired, where those properties should be located and what acquisition policy best serves the interest of the endowment beneficiaries.

The Department asked the Land Board to approve the property acquisition policy set out in the Board memorandum, to delegate the task of finding suitable properties and to direct the Department to bring the most suitable to the Land Board for conceptual approval to initiate acquisition. The Department also asked the Board to approve the proposed commercial property land exchange policy and procedures, which includes exchange objectives, property types, location criteria and exchange process as presented or as may be modified by the Board at this meeting.

Further, the Board was asked to authorize the Department to look at exchange alternatives across the state with the Department bringing only those believed to be in the best interest of the state before the Board for conceptual approval to initiate the exchange process.

Attorney General Lance said we are talking about creating a tremendously large bureaucracy in terms of managing office buildings, etc. We are talking about overcoming the question mark that is out there in terms of exchange of like kind property. We are talking about converting grazing lands and open prairie and our forest lands into office buildings. We are talking about removing tremendous acreage, potentially by virtue of the Supreme Court decision, from public use. We are talking about basically becoming commercial operators – right up against or in competition with commercial enterprise or developers.

This has tremendous implications all over the place and it relates also to the April 2, 1999 decision of the Supreme Court – what does this mean? Are we any longer impeded by the statutory prohibition on like kind exchange of like kind property? We are talking about something huge here and we ought to “cut in” the Endowment Implementation Committee because they ultimately will be responsible for the portfolio of assets. We do not want to end up only with office buildings.

Attorney General Lance made a motion to ask that the Endowment Implementation Committee selected by the Board start dealing with Department staff and bring their recommendations and thoughts to the Board as part of this process.

State Controller Williams said this particular issue was why he gave an earlier report on the lands portion of the portfolio. It was not anticipated that there would be any major changes other than what would be

required by just sound, prudent business practices – which has been the standard that the Board has followed in the past. We are not going to sell off all the land and all the timber. We want to maintain the present practice as closely as we can when it comes to the land and to emphasize changes in the investment portfolio to try to get a higher rate of return. He stated it is really important that the Board walk very slowly with this due to the far-reaching consequences.

State Controller Williams seconded the motion made by Attorney General Lance.

Governor Kempthorne said it has not been his perception that there would be a major effort to divest our timber and range land. That is a valuable asset. Director Hamilton said the Department gets along very well with both timber and range assets. The intention of this policy – or direction – is to get the Board discussing it. He stated the Department wants to have some clear direction of what to look at.

The motion carried on a vote of 5-0.

## • **INFORMATION AGENDA**

Director Hamilton briefed the Land Board on the informational agenda items.

- 16. **Timber sale activity report**
- 17. **Interest rate update**
- 18. **Boise Front MOU**
- 19. **Report on potential lease by BSU at old penitentiary**
- 20. **Triumph Mine update**
- 21. **Correspondence received from Priest Lake cottage site lessees**

Attorney General Lance made the motion to resolve into Executive Session to discuss matters as published. Secretary of State Cenarrusa seconded the motion. The motion carried on a vote of 5-0.

## • **EXECUTIVE SESSION**

- 22. **Potential Private Property Acquisitions, presented by Perry Whittaker, Chief, Bureau of Real Estate**

Attorney General Lance made the motion to return to Regular Session. Secretary of State Cenarrusa seconded the motion. The motion carried on a vote of 5-0.

Governor Kempthorne emphasized that no decisions were made during the Executive Session. The Board asked the Attorney General and the State Controller to work with the Endowment Reform implementation group and to discuss further the issues before the Board. The Attorney General and State Controller accepted.

There being no further business to come before the Board, the meeting adjourned at 12:00 noon.

IDAHO STATE BOARD OF LAND COMMISSIONERS

/s/ Dirk Kempthorne  
President, State Board of Land Commissioners and  
Governor of the State of Idaho

/s/ Pete T. Cenarrusa  
Pete T. Cenarrusa  
Secretary of State

/s/ Stanley F. Hamilton  
Stanley F. Hamilton  
Director

The above-listed final minutes were approved by the State Board of Land Commissioners on September 14, 1999.